STANDARD FORM NO. 64

Office Memorandum • UNITED STATES GOVERNMENT

RESTRICTED

TO : FE - Mr. Allison

DATE: March 3, 1953

FROM : NA - Mr. McClurkin RJGM

Bureau of FAR EASTERN AFFAIRS MAR 4 1953 ASSISTANT SECRETARY Department of State

SUBJECT: Discussions with American businessmen on the negotiation of the FCN Treaty

RDS ☐ or XDS ☐ EXT. DATE
TS AUTH. REASON(S)
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PA or FOI EXEMPTIONS

The following information has been assembled in answer to your request for information about the extent to which American business interests have been consulted on the terms of the FCN treaty now under negotiation with Japan.

The FCN negotiations with Japan are being conducted on the basis of our standard draft which has been fully discussed with the National Foreign Trade Council, the Business Advisory Council to the Secretary of Commerce, the American Shipping Federation, and the Far Eastern Council. These organizations are all aware that the Department is basing its negotiations with Japan upon the standard draft.

Field offices of the Department of Commerce have held regional conferences with businessmen in San Francisco and other United States cities to ascertain whether the application of the standard draft FCN treaty to Japan would be satisfactory. The United States Chamber of Commerce, which has an affiliate in Tokyo, has also served as a channel for supplying treaty information to business interests and for obtaining the views of the business community on the terms of the treaty.

There have been numerous conferences and telephone conversations between officers of the Department, both in CP and NA, and American businessmen on the terms of the treaty. Officials of the National City Bank and the Chase Bank have, at their request, been shown the provisions of the draft treaty concerning banking, and are apparently satisfied. American insurance underwriters have recently urged the inclusion in FCN treaties of a special provision dealing with maritime insurance. The current draft of the treaty with Japan includes such a provision, but we have not yet informed interested American businessmen because we want to be sure the provision will not be modified before the treaty negotiations are concluded. The United States Chamber of Commerce in Tokyo has been informed generally of the treaty; it has particularly taken up the question of treaty provisions affecting the right of American lawyers to practice in Japan and has urged that the treaty include a "national treatment" clause with respect to the practice of professions, notwithstanding objections which have been made by the American Bar Association to the inclusion of such a clause in treaties.

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4 State Dept. NA From Raleigh
File - Subject File T2.4 FCN treaty

The Embassy has been authorized to begin formal negotiation of the FCN Treaty on the basis of a US-Japanese draft, which has been approved by the Japanese Cabinet subject to a few changes which are now being worked out by the Embassy. Even with the changes proposed by the Japanese Cabinet, the treaty resembles very closely the standard draft FCN treaty, and, if no further changes are made, should, in the opinion of CP, be regarded as one of the best postwar FCN treaties.

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INCOMING TELEGRAM (2) Department of State ACTION COPY

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FRO[illegible] TO

TO: [illegible]ry of State

NO: 2837, March 3, 4 p.m.

PRIORITY

Embassy te[illegible]am 688 June 26, 1952 proposed fair labor provision FCN [illegible]ty. In view possibility discussed with Waring while in Washington last August that fair labor provision not (repeat not) be presented for Japanese Government consideration, Embassy requests current instructions. Informal discussions may close rapidly and Embassy in position offer this provision for consideration Japanese Government about March 7. Japanese Government may be most reluctant accept this provision since may be interpreted as departure from standard clearly aimed at Japanese competition abroad. If instructed propose inclusion, Embassy requests authority withdraw if serious Japanese Government objections met.

Please advise soonest.

MURPHY

MAM:SJM-11

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Bureau of
FAR EASTERN AFFAIRS

MAR 3 - 1953

Labor Adviser
Department of State

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